

By: Miles

H.B. No. 2994

Substitute the following for H.B. No. 2994:

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C.S.H.B. No. 2994

A BILL TO BE ENTITLED

AN ACT

relating to the creation, operation, and funding of the urban farm
microenterprise support program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 3, Agriculture Code, is amended by adding
Chapter 44A to read as follows:

CHAPTER 44A. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

Sec. 44A.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the Texas
Agricultural Finance Authority.

(2) "Microenterprise" means a small business in which
the owner operates the enterprise.

(3) "Urban area" means an area inside the boundaries
of a municipality with a population of 500,000 or more.

Sec. 44A.002. CREATION OF URBAN FARM MICROENTERPRISE
SUPPORT PROGRAM. (a) The board shall create an urban farm
microenterprise support program to provide financial assistance to
microenterprises in urban areas that are primarily engaged in:

(1) research into processes and technology related to
agricultural production in an urban setting;

(2) the production or development of tools or
processes for agriculture in a manner suited for an urban setting;
or

(3) agricultural activities in a manner suited for an

1 urban setting.

2 (b) No state money may be used for purposes of the program.

3 Sec. 44A.003. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

4 LOANS. (a) On the receipt of gifts and grants of money under

5 Section 44A.004, the board shall establish and implement a loan

6 program supporting established and proposed urban farm

7 microenterprises in urban areas by providing loans to expand,

8 modernize, or otherwise improve the established microenterprises

9 and to begin operation of proposed microenterprises.

10 (b) An applicant applying on behalf of a proposed

11 microenterprise may receive a loan of up to \$25,000 to begin

12 operation of the microenterprise.

13 (c) An applicant applying on behalf of an established

14 microenterprise may receive a loan of up to \$50,000 to expand,

15 modernize, or otherwise improve an established microenterprise.

16 (d) The board may reserve a portion of the total fund for use

17 in cooperative loan programs established with the participation of

18 other public or private lenders.

19 (e) The board by rule may provide for the administration by

20 a private or public entity of the loans awarded under the loan

21 program.

22 Sec. 44A.004. MONEY FOR LOANS. The board may accept gifts

23 and grants of money from the federal government, local governments,

24 or private corporations or other persons for use in making loans

25 under the urban farm microenterprise support program.

26 Sec. 44A.005. URBAN FARM MICROENTERPRISE DEVELOPMENT FUND.

27 The urban farm microenterprise development fund is a fund in the

1 comptroller's office. The following shall be deposited to the
2 credit of the fund:

3 (1) amounts received by the state for loans made under
4 the urban farm microenterprise support program;

5 (2) money received in repayment of loans made under
6 the program; and

7 (3) other money received by the board for the program
8 and required by the board to be deposited in the fund.

9 SECTION 2. This Act takes effect September 1, 2011.